

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4360-01
Bill No.: HB 1747
Subject: Children and Minors; Courts; Department of Mental Health
Type: Original
Date: March 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Unknown) to \$8,494,374	(Unknown) to \$11,483,135	(Unknown) to \$11,483,135
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown) to \$8,494,374	(Unknown) to \$11,483,135	(Unknown) to \$11,483,135

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal Funds*			
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Federal revenues and expenditures to exceed \$1 million annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Elementary and Secondary Education (DESE)** state that DESE currently pays excess costs for approximately 3,191 students in public placement. The average excess cost per pupil now is \$2,100. If courts could order schools to provide certain services, it would result in higher costs for schools while the revenue to fund such costs may not be provided. DESE assumes the proposal would result in an unknown cost to local school districts.

Officials from the **Department of Mental Health (DMH)** assume the proposal would allow the courts to require the DMH to provide services and treatment to an unknown population of juveniles in the state. Such services would undoubtedly be required. However, with no clear understanding of the population to be served and the services required, DMH cannot project the fiscal impact to their agency.

Officials from the **Department of Social Services (DOS) – Division of Family Services (DFS)** assume that of the 12,435 children in care as of December 31, 2001, 500 would not have been placed into DFS custody if appropriate mental health resources were available to them. These children with psychiatric disturbances and/or developmental disabilities are generally cared for in residential treatment or career foster homes. DFS currently has 442 youths in career foster homes and 2,130 youths in residential care. Using these figures for comparison, DFS estimates that of the 500 youth who may not need to be in DFS custody, 105 might be in career foster care and 395 in residential treatment (level 3 or 4). The average cost for foster care is \$47.00/youth/day. The average cost for residential treatment is \$101.745/youth/day. Based on these averages, the DFS estimates the cost savings to be \$12,183,554 in FY 03; \$16,470,360 in FY 04; and \$16,470,360 in FY 05. The source of the funds for this youth maintenance is 69.72% state funds (general revenue) and 30.28% federal funds.

Officials from the **Department of Social Services (DOS) – Division of Medical Services (DMS)** assume the fiscal impact would be unknown, but would exceed \$100,000 per year. The DOS – Division of Family Services (DFS) estimates that there would be approximately 500 youth currently in DFS custody that could be returned to their homes if adequate mental health services were available. The Department of Mental Health would be responsible for providing mental health services to these children. It is unclear what services and how many services would be required. Therefore, the DMS could not determine total costs. Since these children are Medicaid recipients, the DMS would draw a federal match on all funds spent on their behalf for Medicaid covered services. Therefore, the DMS would see an unknown impact to federal funds.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Savings</u> – Department of Social Services – Division of Family Services Decreased youth maintenance costs	\$8,494,374	\$11,483,135	\$11,483,135
<u>Costs</u> – Department of Mental Health Mental Health Services	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(Unknown) to <u>\$8,494,374</u>	(Unknown) to <u>\$11,483,135</u>	(Unknown) to <u>\$11,483,135</u>
FEDERAL FUNDS			
<u>Income</u> – Department of Social Services – Division of Medical Services Increased services to Medicaid recipients	More than \$100,000	More than \$100,000	More than \$100,000
<u>Savings</u> – Department of Social Services – Division of Family Services Decreased youth maintenance costs	\$3,689,180	\$4,987,225	\$4,987,225
<u>Loss</u> – Department of Social Services – Division of Family Services Decreased federal match for youth maintenance costs	(\$3,689,180)	(\$4,987,225)	(\$4,987,225)
<u>Costs</u> – Department of Social Services – Division of Medical Services Increased services to Medicaid recipients	More than <u>(\$100,000)</u>	More than <u>(\$100,000)</u>	More than <u>(\$100,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

The proposed legislation could provide a fiscal impact on small businesses.

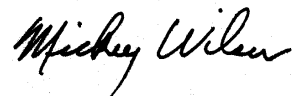
DESCRIPTION

The proposed legislation would prohibit the juvenile court from transferring legal custody of a juvenile from the parent or guardian to another person or agency for the sole purpose of securing mental health care for the juvenile. The court would order mental health treatment to be provided in the least restrictive environment that is appropriate for the juvenile. The court would maintain jurisdiction over any agency providing treatment.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Mental Health
Department of Social Services
– Division of Family Services
– Division of Medical Services



Mickey Wilson, CPA
Acting Director

March 5, 2002